

RENTECH INC.

October 8, 2002

Ms. Linda Bluestein
Program Manager
Alternative Fuels Transportation Program
United States Department of Energy
EE-34
1000 Independence Avenue, SW
Washington, D.C. 20585

Subject: Rentech “Statement in Support” for the proposed DOE rule making for Fischer Tropsch diesel fuel to be designated as an “Alternative Fuel” under Section 301(2) of the Energy Policy Act of 1992.

Rentech Inc. provides its proprietary Fisher-Tropsch (FT) technology for the conversion of syngas made from carbon--bearing material into ultra-clean liquid hydrocarbons. The Rentech FT technology is highly efficient and cost effective, offering opportunities for project owners around the world to implement the technology to convert under-utilized resources into ultra-clean transportation fuels and chemicals.

Today, under House bill H12274, signed into law in December 2000, Fischer Tropsch fuels from domestic natural gas are designated as “alternative fuel.” Moreover, under the Energy Policy Act of 1992, Fischer-Tropsch fuels from coal are also “alternative fuels”. Today, in this workshop, we are addressing Fischer-Tropsch fuels made from sources other than domestic natural gas.

Rentech would like to lend its support and encouragement to the DOE in the designation of Fischer-Tropsch fuels from sources other than domestic natural gas, to be classified as “alternative fuels.”

Rentech, through its own internal efforts, submitted a petition in July 1999, clearly demonstrating that all three criteria, as set forth in the Energy Policy Act of 1992, have been met, that is:

1. FT fuel is substantially not petroleum;
2. FT fuel would add substantial energy security benefits; and
3. FT fuel would yield substantial environmental benefits.

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Rentech is continually evaluating various Fischer-Tropsch technologies from such major energy companies as British Petroleum, Conoco, Exxon and Shell. Although these technologies all have their differences, each produces very similar ultra-clean hydrocarbon products. Therefore, Rentech believes it is in the best interest of the DOE and the country that Fischer-Tropsch diesel be designated an alternative fuel under the Energy Policy Act of 1992.

We recommend that the DOE set standards for FT diesel fuel regardless of the technology used to produce the fuel. Our suggested standards are in our letter of October 12, 2001 to the DOE. (See attached letter)

The three unique characteristics of FT diesel fuels are the ultra low levels of sulfur, aromatics and the high cetane index of the fuels. These three characteristics allow the fuels to burn completely, significantly reducing emissions. It is these three characteristics that the DOE needs to consider as it moves forward in setting the standards that designate FT fuels an alternative to the dirtier fuels we use today.

Rentech heartily encourages the DOE to expedite the designation process as the tenuous world situation and the demand for clean energy in the United States continues to increase. We need to seek all alternatives particularly when they are environmentally sound options.

Thank you for your consideration and we look forward to a rapid and positive outcome to this technical review and movement towards the notice of proposed rule making.

Richard Sheppard

Richard Sheppard
Director for GTL Marketing

Typical
Rentech Product
Analysis

Recommended FT
Diesel
Standards for

"Alternative Fuel"

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F-T Diesel Fuel Specifications		Designation
Cetane index	67	>60
Sulfur ppm	<0.001 *	< 5 ppm
Aromatic wt. %	<0.001 *	<0.05
Copper Strip Corrosion	1a	1a
90% Distillation ° F	571	540 - 640
Viscosity @ 40°C cSt	1.96	1.9 - 4.1
Conradson Carbon on 10% wt. %	<0.001%*	< 0.35
Ash wt%	<0.001%*	<0.001%
Flash Point °F	166	>125
Heat of Combustion BTU/lb. (gross value)	20,573	>18,000
Carbon Content Oxygen Content		<1%
GTL Process Efficiency		<11.5mmBtu per barrel
Lubricity ASTM D-6079(HFRR)		<675

* Analysis were below limits of detection